



UNITED STATES OF AMERICA
SECURITIES AND EXCHANGE COMMISSION

ATTESTATION

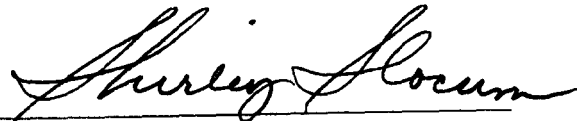
I HEREBY ATTEST

that:

*Attached is a copy of, quarterly report on Form 10-Q, for the
quarterly period ended September 30, 2000, received in this
Commission November 14, 2000, under the name Enron
Corporation, File No. 1-13159, pursuant to the provisions of
the Securities Exchange Act of 1934.*

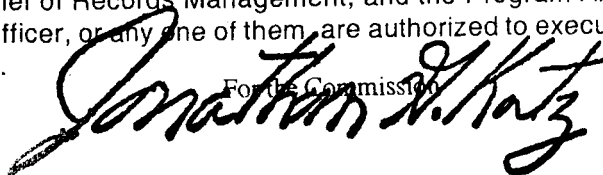
on file in this Commission

October 27, 2005
(Date)



Shirley Slocum
Associate Director

It is hereby certified that the Associate Executive Director, Office of Filings and Information Services, U.S. Securities and Exchange Commission, Washington, D.C., which Commission was created by the Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.) is official custodian of the records and files of said Commission, and all records and files created or established by the Federal Trade Commission pursuant to the provisions of the Securities Act of 1933 and transferred to this Commission in accordance with Section 210 of the Securities Exchange Act of 1934, and was such official custodian at the time of executing the above attestation, and that he/she, and persons holding the positions of Deputy Director, Associate Directors, Special Assistant to the Director, Records Officer, Branch Chief of Records Management, and the Program Analyst for the Records Officer, or any one of them, are authorized to execute the above attestation.



For the Commission

Jonathan G. Katz
Secretary

UNITED STATES SECURITIES AND EXCHANGE
COMMISSION
WASHINGTON, D.C. 20549
FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **September 30, 2000**

Commission File Number 1-13159

ENRON CORP.

(Exact name of registrant as specified in its charter)

Oregon	47-0255140
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

Enron Building	
1400 Smith Street	
Houston, Texas	77002
(Address of principal executive offices)	(Zip Code)

(713) 853-6161
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has
filed all reports required to be filed by Section 13 or
15(d) of the Securities Exchange Act of 1934 during the
preceding 12 months (or for such shorter period that the
registrant was required to file such reports), and (2) has
been subject to such filing requirements for the past 90
days.

Yes ☒ No ☐

Indicate the number of shares outstanding of each of the
issuer's classes of common stock, as of the latest
practicable date.

Class	Outstanding at October 31, 2000
Common Stock, No Par Value	746,550,863 shares

ENRON CORP. AND SUBSIDIARIES

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PART I. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

ENRON CORP. AND SUBSIDIARIES

ITEM 1. FINANCIAL STATEMENTS

ENRON CORP. AND SUBSIDIARIES

ITEM 1. FINANCIAL STATEMENTS
CONSOLIDATED INCOME STATEMENT
(In Millions, Except Per Share Amounts)
(Unaudited)

ENRON CORP. AND SUBSIDIARIES

	Three Months Ended September 30, 2000		Nine Months Ended September 30, 2000	
	2000	1999	2000	1999
Revenues	\$30,007	\$11,835	\$60,038	\$29,139
Costs and Expenses				
Cost of gas, electricity and other products	28,289	10,489	55,501	25,137
Operating expenses	855	671	2,494	2,140
Depreciation, depletion and amortization	256	225	620	676
Impairment of long-lived assets	-	441	-	441
Taxes, other than income taxes	65	45	190	163
	29,465	11,871	58,805	28,557
Operating Income (Loss)	542	(36)	1,233	582
Other Income and Deductions				
Equity in earnings of unconsolidated affiliates	46	38	365	269
Gains on sales of assets and investments	45	456	135	468
Other income, net	33	62	166	203
Income Before Interest, Minority Interests and Income Taxes	666	520	1,899	1,522
Interest and Related Charges, net	247	187	604	537
Dividends on Company-Obligated Preferred Securities of Subsidiaries	20	19	59	57
Minority Interests	35	38	109	94
Income Tax Expense (Benefit)	72	(14)	208	69
Net Income Before Cumulative Effect of Accounting Changes	292	290	919	765
Cumulative Effect of Accounting Changes, net of tax	-	-	-	(131)
Net Income	292	290	919	634
Preferred Stock Dividends	21	19	62	42
Earnings on Common Stock	\$ 271	\$ 271	\$ 857	\$ 592
Earnings Per Share of Common Stock				
Basic				
Before Cumulative Effect of Accounting Changes	\$ 0.37	\$ 0.38	\$ 1.17	\$ 1.03
Cumulative Effect of Accounting Changes	-	-	-	(0.19)
Basic Earnings per Share	\$ 0.37	\$ 0.38	\$ 1.17	\$ 0.84
Diluted				
Before Cumulative Effect of Accounting Changes	\$ 0.34	\$ 0.35	\$ 1.07	\$ 0.96
Cumulative Effect of Accounting Changes	-	-	-	(0.17)
Diluted Earnings per Share	\$ 0.34	\$ 0.35	\$ 1.07	\$ 0.79
Average Number of Common Shares Used in Computation				
Basic	741	714	732	702
Diluted	870	781	861	766

The accompanying notes are an integral part of these consolidated financial statements.

PART I. FINANCIAL INFORMATION - (Continued)
 ITEM 1. FINANCIAL STATEMENTS - (Continued)
 ENRON CORP. AND SUBSIDIARIES
 CONSOLIDATED BALANCE SHEET
 (In Millions)
 (Unaudited)

	September 30, 2000	December 31, 1999
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 697	\$ 288
Trade receivables (net of allowance for doubtful accounts of \$35 and \$31, respectively)	6,494	3,030
Other receivables	1,181	518
Assets from price risk management activities	7,294	2,205
Inventories	1,942	598
Other	1,198	616
Total Current Assets	18,806	7,255
Investments and Other Assets		
Investments in and advances to unconsolidated affiliates	5,376	5,036
Assets from price risk management activities	7,367	2,929
Goodwill	3,646	2,799
Other	6,348	4,681
Total Investments and Other Assets	22,737	15,445
Property, Plant and Equipment, at cost		
Natural gas transmission	6,908	6,948
Electric generation and distribution	4,284	3,552
Construction in progress	1,382	1,491
Oil and gas, successful efforts method	720	690
Other	1,839	1,231
	15,133	13,912
Less accumulated depreciation, depletion and amortization	3,680	3,231
Net Property, Plant and Equipment	11,453	10,681
Total Assets	\$52,996	\$33,381

The accompanying notes are an integral part of these consolidated financial statements.

PART I. FINANCIAL INFORMATION - (Continued)
 ITEM 1. FINANCIAL STATEMENTS - (Continued)
 ENRON CORP. AND SUBSIDIARIES
 CONSOLIDATED BALANCE SHEET
 (In Millions)
 (Unaudited)

September 30, December 31,
2000 1999

LIABILITIES AND SHAREHOLDERS' EQUITY

Current Liabilities		
Accounts payable	\$ 5,390	\$2,154
Liabilities from price risk management activities	6,187	1,836
Short-term debt	3,117	1,001
Other	2,408	1,768
Total Current Liabilities	17,102	6,759
Long-Term Debt	10,664	7,151
Deferred Credits and Other Liabilities		
Deferred income taxes	1,565	1,894
Liabilities from price risk management activities	7,314	2,990
Other	2,282	1,587
Total Deferred Credits and Other Liabilities	11,161	6,471
Minority Interests	1,889	2,430
Company-Obligated Preferred Securities of Subsidiaries	904	1,000
Shareholders' Equity		
Second preferred stock, cumulative, no par value	127	130
Mandatorily Convertible Junior Preferred Stock, Series B, no par value	1,000	1,000
Common stock, no par value	8,003	6,637
Retained earnings	3,277	2,698
Accumulated other comprehensive income	(958)	(741)
Common stock held in treasury	(18)	(49)
Other	(155)	(105)
Total	11,276	9,570
Total Liabilities and Shareholders' Equity	\$52,996	\$33,381

The accompanying notes are an integral part of these consolidated financial statements.

PART I. FINANCIAL INFORMATION - (Continued)
ITEM 1. FINANCIAL STATEMENTS - (Continued)

ENRON CORP. AND SUBSIDIARIES

ENRON CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
(In Millions)
(Unaudited)

	Nine Months Ended September 30,	
	2000	1999
Cash Flows From Operating Activities		
Reconciliation of net income to net cash provided by (used in) operating activities		
Net income	\$ 919	\$ 634
Cumulative effect of accounting changes	-	131
Depreciation, depletion and amortization	620	676
Deferred income taxes	22	(38)
Equity in earnings of unconsolidated affiliates	(365)	(269)
Impairment of long-lived assets	-	441
Gains on sales of assets and investments	(135)	(461)
Changes in components of working capital	(188)	(1,072)
Net assets from price risk management activities	(952)	55
Merchant assets and investments:		
Realized gains on sales	15	(252)
Proceeds from sales	683	708
Additions and unrealized gains and losses	(1,414)	(657)
Other operating activities	895	61
Net Cash Provided by (Used in) Operating Activities	100	(43)
Cash Flows From Investing Activities		
Capital expenditures	(1,549)	(2,022)
Equity investments	(870)	(718)
Proceeds from sales of investments and other assets	222	245
Acquisition of subsidiary stock	(743)	-
Business acquisitions, net of cash acquired	(515)	(213)
Other investing activities	(147)	(447)
Net Cash Used in Investing Activities	(3,602)	(3,155)
Cash Flows From Financing Activities		
Issuance of long-term debt	2,725	1,570
Repayment of long-term debt	(545)	(1,417)
Net increase in short-term borrowings	1,694	2,038
Net redemption of preferred securities of subsidiaries	(95)	-
Issuance of subsidiary equity	-	513
Issuance of common stock	182	889
Dividends paid	(396)	(346)
Net disposition of treasury stock	354	223
Other financing activities	(8)	(67)
Net Cash Provided by Financing Activities	3,911	3,403
Increase in Cash and Cash Equivalents	409	205
Cash and Cash Equivalents, Beginning of Period	288	111
Cash and Cash Equivalents, End of Period	\$ 697	\$ 316
Changes in Components of Working Capital		
Receivables	\$ (3,694)	\$ (994)
Inventories	339	(112)
Payables	3,081	(45)
Other	86	79
Total	\$ (188)	\$ (1,072)

The accompanying notes are an integral part of these consolidated financial statements.

PART I. FINANCIAL INFORMATION - (Continued)

ITEM 1. FINANCIAL STATEMENTS - (Continued)
ENRON CORP. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PRESENTATION

The consolidated financial statements included herein have been prepared by Enron Corp. (Enron) without audit pursuant to the rules and regulations of the Securities and Exchange Commission. Accordingly, these statements reflect all adjustments (consisting only of normal recurring entries) which are, in the opinion of management, necessary for a fair statement of the financial results for the interim periods. Certain information and notes normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations, although Enron believes that the disclosures are adequate to make the information presented not misleading. These consolidated financial statements should be read in conjunction with the financial statements and the notes thereto included in Enron's Annual Report on Form 10-K for the year ended December 31, 1999 (Form 10-K).

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Certain reclassifications have been made in the 1999 amounts to conform with the 2000 presentation.

"Enron" is used from time to time herein as a collective reference to Enron Corp. and its subsidiaries and affiliates. The businesses of Enron are conducted by the subsidiaries and affiliates whose operations are managed by their respective officers.

2. SUPPLEMENTAL CASH FLOW INFORMATION

Net cash paid for income taxes for the first nine months of 2000 and 1999 was \$37 million and \$23 million, respectively. Cash paid for interest for the same periods, net of amounts capitalized, was \$540 million and \$544 million, respectively. Enron recorded tax benefits related to stock options exercised by employees of approximately \$410 million in the first nine months of 2000.

In the third quarter of 2000, Enron, through a wholly-owned subsidiary, acquired all of the outstanding common shares of MG plc, a leading independent international metals market-making business that provides financial and marketing services to the global metals industry, for approximately \$470 million in cash. Enron recorded goodwill of approximately \$260 million. As of the date of acquisition, MG plc's balance sheet primarily consisted of approximately \$1.7 billion of metals inventory and \$1.5

billion of short-term debt.

Non-Cash Activity. In the second quarter of 2000, Enron acquired all minority shareholders' interests in Enron Energy Services LLC. Enron issued 4.9 million shares of Enron Corp. common stock, contributed common stock and warrants of an unconsolidated equity affiliate and paid cash in exchange for the Enron Energy Services LLC shares held by the minority shareowners. As a result of these transactions, Enron recorded goodwill of approximately \$470 million.

On May 15, 2000, Enron acquired WarpSpeed Communications, a provider of on-demand switched connectivity to business enterprises, for 617,000 shares of Enron Corp. common stock valued at approximately \$42 million.

In the first nine months of 2000, Enron entered into various transactions with related parties and a third party which resulted in the non-cash exchange of certain assets and a non-cash increase in common stock of \$171 million. See Note 7.

3. LITIGATION AND OTHER CONTINGENCIES

Enron is a party to various claims and litigation, the significant items of which are discussed below. Although no assurances can be given, Enron believes, based on its experience to date and after considering appropriate reserves that have been established, that the ultimate resolution of such items, individually or in the aggregate, will not have a material adverse impact on Enron's financial position or its results of operations.

Litigation. In 1995, several parties (the Plaintiffs) filed suit in Harris County District Court in Houston, Texas, against Intratex Gas Company (Intratex), Houston Pipe Line Company and Panhandle Gas Company (collectively, the Enron Defendants), each of which is a wholly-owned subsidiary of Enron. The Plaintiffs were either sellers or royalty owners under numerous gas purchase contracts with Intratex, many of which have terminated. Early in 1996, the case was severed by the Court into two matters to be tried (or otherwise resolved) separately. In the first matter, the Plaintiffs alleged that the Enron Defendants committed fraud and negligent misrepresentation in connection with the "Panhandle program," a special marketing program established in the early 1980s. This case was tried in October 1996 and resulted in a verdict for the Enron Defendants. In the second matter, the Plaintiffs allege that the Enron Defendants violated state regulatory requirements and certain gas purchase contracts by failing to take the Plaintiffs' gas ratably with other producers' gas at certain times between 1978 and 1988. The trial court certified a class action with respect to ratability claims. On March 9, 2000, the Texas Supreme Court ruled that the trial court's class certification was improper and remanded the case to the trial court. The Enron Defendants deny the Plaintiffs' claims and have asserted various affirmative defenses, including the statute of limitations. The Enron Defendants believe that they have strong legal and factual defenses, and intend to vigorously contest the claims. Although no assurances can be given, Enron believes that the ultimate resolution of these matters will not have a material adverse effect on its financial position or results of operations.

On November 21, 1996, an explosion occurred in or around the Humberto Vidal Building in San Juan, Puerto Rico. The explosion resulted in fatalities, bodily injuries and damage to the building and surrounding property. San Juan Gas Company, Inc. (San Juan Gas), an Enron affiliate, operated a propane/air distribution system in the vicinity, but did not provide service to the building. Enron, San Juan

Gas, four affiliates and their insurance carriers were named as defendants, along with several third parties, including The Puerto Rico Aqueduct and Sewer Authority, Puerto Rico Telephone Company, Heath Consultants Incorporated, Humberto Vidal, Inc. and their insurance carriers, in numerous lawsuits filed in U.S. District Court for the District of Puerto Rico and the Superior Court of Puerto Rico. These suits seek damages for wrongful death, personal injury, business interruption and property damage allegedly caused by the explosion. After nearly four years without determining the cause of the explosion, all parties have agreed not to litigate further that issue, but to move these suits toward settlements or trials to determine whether each plaintiff was injured as a result of the explosion and, if so, the lawful damages attributable to such injury. The defendants have agreed on a fund for settlements or final awards. Numerous suits have been settled and 20 cases have been set for trial in the federal court beginning in February 2001. Although no assurances can be given, Enron believes that the ultimate resolution of these matters will not have a material adverse effect on its financial position or results of operations.

Trojan Investment Recovery. In early 1993, Portland General Electric Company (PGE) ceased commercial operation of the Trojan nuclear power generating facility (Trojan). The Oregon Public Utility Commission (OPUC) granted PGE, through a general rate order, recovery of, and a return on, its remaining investment in Trojan.

The OPUC's general rate order related to Trojan has been subject to litigation in various state courts, including rulings by the Oregon Court of Appeals and petitions to the Oregon Supreme Court filed by parties opposed to the OPUC's order, including the Utility Reform Project (URP) and the Citizens Utility Board (CUB).

In August 2000, PGE entered into agreements with CUB and the staff of the OPUC to settle the litigation related to PGE's recovery of its investment in the Trojan plant. Under the agreements, CUB agreed to withdraw from the litigation and support the settlement as the means to resolve the Trojan litigation. The OPUC approved the accounting and ratemaking elements of the settlement on September 29, 2000. As a result of these approvals, PGE's investment in Trojan is no longer included in rates charged to customers, either through a return on or a return of that investment. Collection of ongoing decommissioning costs at Trojan is not affected by the settlement agreements or the September 29, 2000 OPUC order. With CUB's withdrawal, URP is the one remaining significant adverse party in the litigation. URP has indicated that it plans to continue to challenge the OPUC order allowing PGE recovery of its investment in Trojan.

Enron cannot predict the outcome of these actions. Although no assurances can be given, Enron believes that the ultimate resolution of these matters will not have a material adverse effect on its financial position or results of operations.

Environmental Matters. Enron is subject to extensive federal, state and local environmental laws and regulations. These laws and regulations require expenditures in connection with the construction of new facilities, the operation of existing facilities and for remediation at various operating sites. The implementation of the Clean Air Act Amendments is expected to result in increased operating expenses. These increased operating expenses are not expected to have a material impact on Enron's financial position or results of operations.

The Environmental Protection Agency (EPA) has informed Enron that it is a potentially responsible party at the Decorah Former

Manufactured Gas Plant Site (the Decorah Site) in Decorah, Iowa, pursuant to the provisions of the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA, also commonly known as Superfund). The manufactured gas plant in Decorah ceased operations in 1951. A predecessor company of Enron purchased the Decorah Site in 1963. Enron's predecessor did not operate the gas plant and sold the Decorah Site in 1965. The EPA alleges that hazardous substances were released to the environment during the period in which Enron's predecessor owned the site, and that Enron's predecessor assumed the liabilities of the company that operated the plant. Enron contests these allegations. To date, the EPA has identified no other potentially responsible parties with respect to this site. Under the terms of administrative orders, Enron replaced affected topsoil and removed impacted subsurface soils in certain areas of the tract where the plant was formerly located. Enron completed the final removal actions at the site in November 1998 and concluded all remaining site activities in the spring of 1999. Enron submitted a final report on the work conducted at the site to the EPA. Enron does not expect to incur any additional expenditures in connection with this site.

Enron's natural gas pipeline companies conduct soil and groundwater remediation on a number of their facilities. Enron does not expect to incur material expenditures in connection with soil and groundwater remediation.

4. EARNINGS PER SHARE

The computation of basic and diluted earnings per share is as follows (in millions, except per share amounts):

	Third Quarter		Nine Months Ended	
	2000	1999	September 30,	
			2000	1999
Numerator:				
Basic				
Income before cumulative effect of accounting changes	\$ 292	\$ 290	\$ 919	\$ 765
Preferred stock dividends:				
Second preferred stock	(5)	(4)	(13)	(13)
Series B Preferred Stock	(16)	(15)	(49)	(29)
Income available to common shareholders before cumulative effect of accounting changes	271	271	857	723
Cumulative effect of accounting changes	-	-	-	(131)
Income available to common shareholders	\$ 271	\$ 271	\$ 857	\$ 592
Diluted				
Income available to common shareholders before cumulative effect of accounting changes	\$ 271	\$ 271	\$ 857	\$ 723
Effect of assumed conversion of dilutive securities:				
Second preferred stock	5	4	13	13
Series B Preferred Stock	16	-	49	-
Income before cumulative effect of accounting changes	292	275	919	736
Cumulative effect of accounting changes	-	-	-	(131)
Income available to common shareholders after assumed conversions	\$ 292	\$ 275	\$ 919	\$ 605
Denominator:				
Denominator for basic earnings per share - weighted-average shares	741	714	732	702
Effect of assumed conversion of dilutive securities:				
Preferred stock:				
Second preferred stock	35	36	35	36
Series B Preferred Stock	50	-	50	-
Stock options	44	31	44	28
Dilutive potential common shares	129	67	129	64
Denominator for diluted earnings per share - adjusted weighted-average shares and assumed conversions	870	781	861	766
Basic earnings per share:				
Before cumulative effect of accounting changes	\$0.37	\$0.38	\$1.17	\$1.03
Cumulative effect of accounting changes	-	-	-	(0.19)
Basic earnings per share	\$0.37	\$0.38	\$1.17	\$0.84
Diluted earnings per share:				
Before cumulative effect of accounting changes	\$0.34	\$0.35	\$1.07	\$0.96
Cumulative effect of accounting changes	-	-	-	(0.17)
Diluted earnings per share	\$0.34	\$0.35	\$1.07	\$0.79

5. COMPREHENSIVE INCOME

Comprehensive income includes the following (in millions):

	Third Quarter		Nine Months Ended	
	2000	1999	September 30, 2000	1999
Net income	\$ 292	\$ 290	\$ 919	\$ 634
Other comprehensive income:				
Foreign currency translation adjustment	(89)	(93)	(190)	(691)
Change in value of available-for-sale investments	(8)	-	(27)	-
Total comprehensive income (loss)	\$ 195	\$ 197	\$ 702	\$ (57)

6. BUSINESS SEGMENT INFORMATION

Enron's business is divided into operating segments, defined as components of an enterprise about which financial information is available and evaluated regularly by the Office of the Chairman, which serves as the chief operating decision making group.

(In Millions)	Transportation and Distribution	Wholesale Energy Operations and Services	Retail Energy Services	Broadband Services	Corporate and Other (c)	Total
Three Months Ended September 30, 2000						
Unaffiliated revenues(a)	\$ 789	\$27,669	\$1,289	\$ 135	\$ 125	\$30,007
Intersegment revenues(b)	69	476	187	-	(732)	-
Total revenues	\$ 858	\$28,145	\$1,476	\$ 135	\$ (607)	\$30,007
Income (loss) before interest, minority interests and income taxes	\$ 157	\$ 627	\$ 30	\$ (20)	\$ (128)	\$ 666
Nine Months Ended September 30, 2000						
Unaffiliated revenues(a)	\$1,933	\$54,787	\$2,662	\$ 345	\$ 311	\$60,038
Intersegment revenues(b)	125	906	296	-	(1,327)	-
Total revenues	\$2,058	\$55,693	\$2,958	\$ 345	\$ (1,016)	\$60,038
Income (loss) before interest, minority interests and income taxes	\$ 529	\$ 1,483	\$ 70	\$ (28)	\$ (155)	\$ 1,899

(In Millions)	Transportation and Distribution	Wholesale Energy Operations and Services	Retail Energy Services	Exploration and Production(d)	Corporate and Other(c)	Total
Three Months Ended September 30, 1999						
Unaffiliated revenues(a)	\$ 567	\$10,677	\$ 345	\$ 105	\$ 141	\$11,835
Intersegment revenues(b)	2	385	197	14	(598)	-
Total revenues	\$ 569	\$11,062	\$ 542	\$ 119	\$ (457)	\$11,835
Income (loss) before interest, minority interests and income taxes	\$ 137	\$ 378	\$ (18)	\$ 33	\$ (10)	\$ 520
Nine Months Ended September 30, 1999						
Unaffiliated revenues(a)	\$1,461	\$25,751	\$1,009	\$ 429	\$ 489	\$29,139
Intersegment revenues(b)	13	600	243	97	(953)	-
Total revenues	\$1,474	\$26,351	\$1,252	\$ 526	\$ (464)	\$29,139
Income (loss) before interest, minority interests and income taxes	\$ 483	\$ 1,054	\$ (75)	\$ 65	\$ (5)	\$ 1,522

- (a) Unaffiliated revenues include sales to unconsolidated affiliates.
(b) Intersegment sales are made at prices comparable to those received from unaffiliated customers and in some instances are affected by regulatory considerations.
(c) Includes consolidating eliminations.
(d) Reflects results through August 16, 1999, when Enron completed the exchange and sale of shares in Enron Oil & Gas Company (EOG).

Total assets by segment are as follows (in millions):

	September 30, 2000	December 31, 1999
Transportation and Distribution	\$ 8,022	\$ 7,959
Wholesale Energy Operations and Services	37,768	20,674
Retail Energy Services	2,745	956
Broadband Services	1,118	511
Corporate and Other	3,343	3,281
Total Assets	\$52,996	\$33,381

The increase in assets of the Wholesale Energy Operations and Services segment is primarily a result of an increase in price risk management assets and trade receivables related to increased activity in Enron's gas and power marketing businesses and, to a lesser extent, the acquisition of MG plc.

7. RELATED PARTY TRANSACTIONS

In the first nine months of 2000, Enron entered into transactions with limited partnerships (the Related Party),

whose general partner's managing member is a senior officer of Enron. The limited partners of the Related Party are unrelated to Enron.

During the first quarter of 2000, Enron and the Related Party entered into an agreement to terminate certain financial instruments that had been entered into during 1999. In connection with this agreement, Enron received approximately 3.1 million shares of Enron common stock held by the Related Party. A put option, which was originally entered into in the first quarter of 2000 and gave the Related Party the right to sell shares of Enron common stock to Enron at a strike price of \$71.31 per share, was terminated under this agreement. In return, Enron paid approximately \$26.8 million to the Related Party. The agreement closed in April 2000. Additionally, in the first quarter of 2000, Enron advanced to the Related Party \$10 million, at a market rate of interest, which was repaid in April 2000.

In the second quarter of 2000, Enron sold a portion of its excess dark fiber inventory to the Related Party in exchange for \$30 million cash and a \$70 million note receivable that matures in seven years and bears a market rate of interest. Enron recognized gross margin of \$67 million on the sale.

In the second and third quarters of 2000, Enron entered into transactions with the Related Party to hedge certain merchant investments and other assets. As part of the transactions, Enron (i) contributed to newly-formed entities (the Entities) assets valued at approximately \$1.2 billion, including 3.7 million restricted shares of outstanding Enron common stock, \$150 million in Enron notes payable, the right to receive up to 18.0 million shares of outstanding Enron common stock in March 2003 (subject to certain conditions) and (ii) transferred to the entities assets valued at approximately \$309 million, including a \$50 million note payable and an investment in an entity that indirectly holds warrants convertible into common stock of an Enron equity method investee. In return, Enron received economic interests in the Entities, \$309 million in notes receivable and a special distribution from the Entities in the form of \$1.2 billion in notes receivable, subject to changes in the principal for amounts payable by Enron in connection with the execution of additional derivative instruments. In addition, Enron paid \$123 million to purchase share-settled options from the Entities on 21.7 million shares of Enron common stock. The Entities paid Enron \$10.7 million in the third quarter to terminate the share-settled options on 14.6 million shares of Enron common stock outstanding at June 30, 2000.

In the third quarter of 2000, Enron entered into derivative transactions with the Entities with a combined notional value of approximately \$1.2 billion to hedge certain merchant investments and other assets. Enron's notes receivable balance was reduced by \$36 million as a result of premiums owed on derivative transactions. Enron recognized revenues of approximately \$60 million related to the derivative transactions, which offset market value changes of certain merchant investments. In addition, Enron recognized \$10.2 million and \$1.5 million of interest income and interest expense, respectively, on the notes receivable

from and payable to the Entities.

Management believes that the terms of the transactions with related parties were reasonable and are representative of terms that would be negotiated with unrelated third parties.

PART I. FINANCIAL INFORMATION - (Continued)

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS
ENRON CORP. AND SUBSIDIARIES

RESULTS OF OPERATIONS

Third Quarter 2000
vs. Third Quarter 1999

The following review of Enron's results of operations should be read in conjunction with the Consolidated Financial Statements.

RESULTS OF OPERATIONS

Consolidated Net Income

Enron's third quarter 2000 net income was \$292 million compared to \$223 million (excluding items impacting comparability) in the third quarter of 1999. Items impacting comparability in the third quarter of 1999 include a \$345 million gain on the sale of Enron Oil & Gas Company (EOG) stock and a \$278 million charge to reflect impairment of MTBE assets. Enron's operating segments include Transportation and Distribution (Transportation Services, formerly Gas Pipeline Group, and Portland General), Wholesale Energy Operations and Services (Enron's North American, European and international energy businesses), Retail Energy Services (Enron Energy Services), Broadband Services (Enron Broadband Services), Exploration and Production (through August 16, 1999) and Corporate and Other, which includes certain other businesses. Items impacting comparability are discussed in the respective segment results.

Basic and diluted earnings (loss) per share of common stock were as follows:

	Third Quarter	
	2000	1999
Basic earnings per share	\$ 0.37	\$ 0.38
Diluted earnings (loss) per share:		
Results before items impacting comparability	\$ 0.34	\$ 0.27
Items impacting comparability:		
Gain on sale of EOG	-	0.44
Charge to reflect impairment of MTBE assets	-	(0.36)
Diluted earnings per share	\$ 0.34	\$ 0.35

Income Before Interest, Minority Interests and Income Taxes

The following table presents income (loss) before interest, minority interests and income taxes (IBIT) for each of Enron's operating segments (in millions):

	Third Quarter	
	2000	1999
Transportation and Distribution:		
Transportation Services	\$ 83	\$ 85
Portland General	74	52
Wholesale Energy Operations and Services	627	378
Retail Energy Services	30	(18)
Broadband Services	(20)	-
Exploration and Production	-	33
Corporate and Other	(128)	(10)
Income before interest, minority interests and taxes	\$ 666	\$ 520

Transportation and Distribution

Transportation and Distribution consists of Transportation Services and Portland General. Transportation Services includes Enron's interstate natural gas pipelines, primarily Northern Natural Gas Company (Northern), Transwestern Pipeline Company (Transwestern), Enron's 50% interest in Florida Gas Transmission Company (Florida Gas) and Enron's interests in Northern Border Pipeline and EOTT Energy Partners, L.P.

Transportation Services. The following table summarizes total volumes transported for each of Enron's interstate natural gas pipelines.

	Third Quarter	
	2000	1999
Total Volumes Transported (Bbtu/d) (a)		
Northern Natural Gas	3,009	3,525
Transwestern Pipeline	1,746	1,575
Florida Gas Transmission	1,649	1,659
Northern Border Pipeline	2,420	2,419

(a) Reflects 100% of each entity's throughput volumes.

Significant components of IBIT are as follows (in millions):

	Third Quarter	
	2000	1999
Net revenues	\$ 119	\$ 145
Operating expenses	63	64
Depreciation and amortization	16	18
Equity in earnings	28	14
Other income, net	15	8
Income before interest and taxes	\$ 83	\$ 85

Revenues, net of cost of sales (net revenues) of Transportation Services decreased \$26 million in the third quarter of 2000 as compared to the same period in 1999. The decrease in net revenues is primarily due to the sale in 1999 of gas from Northern's gas storage inventory and lower transport rates resulting from a rate case settlement. The rate case, which was settled in June 1999 and implemented in November 1999, requires Northern to charge higher rates during the winter season and lower rates during the summer months. Equity in earnings of affiliates and other income, net increased \$14 million and \$7 million, respectively, in the third quarter of 2000 as compared to the same period of 1999. The increase in equity in earnings relates primarily to Enron's investment in Florida Gas. Other income, net for the third quarter of 2000 included a gain related to the sale of compressor-related equipment. The 1999 period included interest earned in connection with Enron's financing of an acquisition by an unconsolidated affiliate.

Portland General. Statistics for Portland General for the third quarter of 2000 and 1999 are as follows:

	Third Quarter	
	2000	1999
Electricity Sales (Thousand MWh) (a)		
Residential	1,444	1,440
Commercial	1,964	1,951
Industrial	1,249	1,162
Total Retail	4,657	4,553
Wholesale	5,703	4,921
Total Electricity Sales	10,360	9,474
Average Billed Revenue (cents per kWh)	6.89	4.15
Resource Mix		
Coal	9%	14%
Combustion Turbine	14	8
Hydro	4	5
Total Generation	27	27
Firm Purchases	63	61
Secondary Purchases	10	12
Total Resources	100%	100%
Average Variable Power Cost (Mills/kWh) (b)	48.8	24.7
Retail Customers (end of period, thousands)	722	714

(a) Thousand megawatt-hours.

(b) Mills (1/10 cent) per kilowatt-hour.

For the third quarter of 2000, Portland General realized IBIT of \$74 million as compared to \$52 million in the same period in 1999. Significant components of IBIT are as follows (in millions):

	Third Quarter	
	2000	1999
Revenues	\$729	\$407
Purchased power and fuel	522	241
Operating expenses	85	74
Depreciation and amortization	60	43
Other income, net	12	3
Income before interest and taxes	\$ 74	\$ 52

Revenues and purchased power and fuel costs increased \$322 million and \$281 million, respectively, in the third quarter of 2000 as compared to the third quarter of 1999. The increase in revenue is primarily a result of increases in the price of power and increases in sales to wholesale and industrial customers. Higher purchased power and fuel costs partially offset the revenue increase. Operating expenses increased primarily due to increased plant maintenance costs related to periodic overhauls. Other income, net increased \$9 million in the third quarter of 2000 as compared to the same period in 1999 primarily as a result of gains on the sale of certain generation-related assets. Depreciation and amortization increased \$17 million, primarily as a result of increased regulatory amortization.

On November 8, 1999, Enron announced that it had entered into an agreement to sell Portland General Electric Company (PGE) to Sierra Pacific Resources for \$2.1 billion. The proposed transaction, which is subject to regulatory approval, is expected to close in early 2001.

Wholesale Energy Operations and Services

Enron's wholesale business (Enron Wholesale) includes its wholesale energy businesses around the world. Enron Wholesale operates in developed and deregulated markets such as North America and Europe, as well as developing or newly deregulating markets including South America, India and Japan.

Enron builds its wholesale businesses through the creation of networks involving asset ownership, contractual access to third-party assets and market-making activities. Each market in which Enron Wholesale operates utilizes these components in a slightly different manner and is at a different stage of development. This network strategy has enabled Enron Wholesale to establish a leading position in its markets. Enron Wholesale's activities are categorized into two business lines: (a) Commodity Sales and Services and (b) Assets and Investments. Activities may be integrated into a bundled product offering for Enron's customers.

Enron Wholesale manages its portfolio of contracts and

assets in order to maximize value, minimize the associated risks and provide overall liquidity. In doing so, Enron Wholesale uses portfolio and risk management disciplines, including offsetting or hedging transactions, to manage exposures to market price movements (commodities, interest rates, foreign currencies and equities). Additionally, Enron Wholesale manages its liquidity and exposure to third-party credit risk through monetization of its contract portfolio or third-party insurance contracts. Enron Wholesale also sells interests in certain investments and other assets to improve liquidity and overall return, the timing of which is dependent on market conditions and management's expectations of the investments' value.

The following table reflects IBIT for each business line (in millions):

	Third Quarter	
	2000	1999
Commodity Sales and Services	\$404	\$172
Assets and Investments	305	240
Unallocated expenses	(82)	(34)
Income before interest, minority interests and taxes	\$627	\$378

The following discussion analyzes the contributions to IBIT for each business line.

Commodity Sales and Services. Enron Wholesale provides reliable commodity delivery and predictable pricing to its customers through forward and other contracts. This market-making activity includes the purchase, sale, marketing and delivery of natural gas, electricity, liquids and other commodities, as well as the management of Enron Wholesale's own portfolio of contracts. Enron Wholesale's market-making activity is facilitated through a network of capabilities including asset ownership. Accordingly, certain assets involved in the delivery of these services are included in this business (such as intrastate natural gas pipelines, gas storage facilities and certain power plants).

Enron Wholesale markets, transports and provides energy commodities as reflected in the following table (including intercompany amounts):

	Third Quarter	
	2000	1999
Physical Volumes (BBtue/d) (a) (b)		
Gas:		
United States	17,176	8,573
Canada	7,449	4,748
Europe and Other	3,605	1,640
	28,230	14,961
Transport Volumes	618	537
Total Gas Volumes	28,848	15,498
Crude Oil and Liquids	5,754	4,699
Electricity(c)	18,857	12,406
Total	53,459	32,603
Electricity Volumes Marketed (Thousand MWh)		
United States	162,963	111,336
Europe and Other	10,525	2,795
Total	173,488	114,131
Financial Settlements (Notional) (BBtue/d)	212,174	109,351

- (a) Billion British thermal units equivalent per day.
(b) Includes third-party transactions by Enron Energy Services.
(c) Represents electricity transaction volumes marketed, converted to BBtue/d.

The earnings from commodity sales and services increased by \$232 million in the third quarter of 2000 as compared to the same period of 1999. Earnings from commodity marketing were favorably impacted by increased profits from North American operations, attributable to significant price volatility in both the gas and power markets, and increased earnings from European power marketing. Gas and power volumes, which increased 86% and 52%, respectively, were positively impacted in the third quarter of 2000 by EnronOnline, an internet-based eCommerce system which allows customers to transact with Enron as the principal.

Assets and Investments. Enron's Wholesale businesses make investments in various energy-related assets as a part of its network strategy. Enron Wholesale either purchases the asset from a third party or develops and constructs the asset. In most cases, Enron Wholesale operates and manages such assets. Earnings from these investments principally result from operations of the assets or sales of ownership interests.

Additionally, Enron Wholesale invests in debt and equity securities of energy and certain communications-related businesses, which may also utilize Enron Wholesale's products and services. With these merchant investments, Enron's influence is much more limited relative to assets Enron develops or constructs. Earnings from these activities result from changes in the market value of the securities. Enron Wholesale uses risk management disciplines, including hedging transactions, to manage the

impact of market price movements on its merchant investments.

Earnings from assets and investments increased to \$305 million in the third quarter of 2000 as compared to \$240 million in the same period of 1999, primarily as a result of a net increase in the market value of Enron Wholesale's merchant investments and increased earnings from international energy asset operations, partially offset by development costs. Earnings from merchant investments were favorably impacted by a significant increase in the market value of Enron Wholesale's power-related investments, partially offset by the decline in value of investments in certain energy-intensive industries.

Unallocated Expenses. Net unallocated expenses such as rent, systems expenses and performance-related costs increased in 2000 due to the growth of Enron Wholesale's existing businesses and continued expansion into new markets.

Retail Energy Services

Enron Energy Services (Energy Services) is extending Enron's energy expertise and capabilities to end-use retail customers in the industrial and commercial business sectors to manage their energy requirements and reduce their total energy costs. Energy Services sells or manages the delivery of natural gas, electricity, liquids and other commodities to industrial and commercial customers located throughout the United States and the United Kingdom. Energy Services also provides outsourcing solutions to customers for full energy management. This integrated product includes the management of commodity delivery, energy information and energy assets, and price risk management activities.

Significant components of Energy Services' results are as follows (in millions):

	Third Quarter	
	2000	1999
Revenues	\$1,476	\$542
Cost of sales	1,325	485
Operating expenses	134	72
Depreciation and amortization	9	9
Equity in earnings	(15)	-
Other income, net	37	6
Income before interest and taxes	\$ 30	\$(18)

Revenues and gross margin increased \$934 million and \$94 million, respectively, in the third quarter of 2000 compared to the third quarter of 1999, primarily resulting from sales of power to Energy Services' increasing base of customers, long-term energy contracts originated in the third quarter of 2000, and the commencement, in the second half of 1999, of operations in the United Kingdom. Operating expenses increased as a result of the growth of Energy Services' business. Included in other income, net in the third quarter 2000 were gains associated with the securitization

of non-merchant equity instruments. Equity in earnings reflects equity losses in Enron's investment in The New Power Company, a company formed to market energy to residential and small commercial customers.

Broadband Services

Enron's broadband services business (Broadband Services) provides customers with a single source for broadband services. In implementing Enron's network strategy, Broadband Services is constructing the Enron Intelligent Network (EIN), a nationwide fiber optic network that consists of both fiber deployed by Enron and acquired capacity on non-Enron networks. The EIN, managed by Enron's Broadband Operating System software, provides a bandwidth-on-demand platform allowing Broadband Services to deliver high-bandwidth media rich content such as video streaming, high capacity data transport and video conferencing. In addition, Enron is extending its market-making and risk management skills from its energy business to develop the bandwidth intermediation business to help customers manage unexpected fluctuation in the price, supply and demand of bandwidth. Broadband Services also makes investments in companies with related technologies and with the potential for capital appreciation. Earnings from these merchant investments, which are accounted for on a fair value basis and are included in revenues, result from changes in the market value of the securities. Broadband Services uses risk management disciplines, including hedging transactions, to manage the impact of market price movements on its merchant investments.

The components of Broadband Services' businesses include the development and construction of the EIN, sales of excess fiber and software, the marketing and management of bandwidth and the delivery of content. Significant components of Broadband Services' results are as follows (in millions):

Third Quarter 2000

Gross Margin	\$154
Operating expenses	123
Depreciation and amortization	52
Other income, net	1
Income before interest and taxes	\$(20)

Broadband Services recognized a loss before interest, minority interests and taxes of \$20 million in the third quarter of 2000. Gross margin benefited from the significant increase in the market value of Broadband Services' merchant investments. Expenses incurred during the period include certain incentive-based compensation costs, expenses related to building the business and depreciation and amortization.

Corporate and Other

Corporate and Other realized a loss before interest, minority interests and taxes of \$128 million in the third

quarter of 2000 compared to a loss of \$10 million in the same period of 1999. Significant components of IBIT are as follows (in millions):

	Third Quarter	
	2000	1999
IBIT before items impacting comparability	\$(128)	\$ (23)
Items impacting comparability:		
Gain on sale of EOG	-	454
Charge to reflect impairment of MTBE assets	-	(441)
IBIT	\$(128)	\$ (10)

Results of the current year quarter reflect increased expense, including information technology costs and long-term employee compensation, as well as equity losses related to Azurix Corp.

Interest and Related Charges, net

Interest and related charges, net is reported net of interest capitalized of \$3 million and \$16 million for the third quarter of 2000 and 1999, respectively. The net expense increased \$60 million in the third quarter of 2000 as compared to the same period of 1999, primarily due to increased long-term debt levels, increased average short-term borrowings, short-term debt assumed as a result of the acquisition of MG plc (see Note 2 to the Consolidated Financial Statements) and higher interest rates resulting from general market conditions within the U.S.

Income Tax Expense

The projected effective tax rate for 2000 is lower than the statutory rate mainly due to equity earnings, consolidated foreign earnings and differences between the book and tax basis of certain assets and stock sales. Income taxes, excluding taxes related to items impacting comparability, increased during the third quarter of 2000 as compared to the third quarter of 1999 primarily as a result of increased pretax earnings.

RESULTS OF OPERATIONS

Nine Months Ended September 30, 2000
vs. Nine Months Ended September 30, 1999

RESULTS OF OPERATIONS

Consolidated Net Income

Enron reported net income of \$919 million for the first nine months of 2000 compared to \$698 million, excluding items impacting comparability, during the same period in 1999. Items impacting comparability in 1999 include a \$345 million gain on the sale of EOG stock, a \$278 million charge to reflect impairment of MTBE assets and a \$131 million charge to reflect the cumulative effect of accounting changes.

Basic and diluted earnings (loss) per share of common stock were as follows:

	Nine Months Ended September 30, 2000 1999	
Basic earnings per share	\$ 1.17	\$ 0.84
Diluted earnings (loss) per share:		
Results before items impacting comparability	\$ 1.07	\$ 0.87
Items impacting comparability:		
Gain on sale of EOG	-	0.45
Charge to reflect impairment of MTBE assets	-	(0.36)
Cumulative effect of accounting changes	-	(0.17)
Diluted earnings per share	\$ 1.07	\$ 0.79

Income Before Interest, Minority Interests and Income Taxes

The following table presents IBIT for each of Enron's operating segments (in millions):

	Nine Months Ended September 30, 2000 1999	
Transportation and Distribution:		
Transportation Services	\$ 288	\$ 283
Portland General	241	200
Wholesale Energy Operations and Services	1,483	1,054
Retail Energy Services	70	(75)
Broadband Services	(28)	-
Exploration and Production	-	65
Corporate and Other	(155)	(5)
Income before interest, minority interests and taxes	\$1,899	\$1,522

Transportation and Distribution

Transportation Services. The following table summarizes total volumes transported for each of Enron's interstate natural gas pipelines.

Nine Months Ended
September 30,
2000 1999

Total Volumes Transported (Bbtu/d) (a)

Northern Natural Gas	3,464	3,847
Transwestern Pipeline	1,639	1,462
Florida Gas Transmission	1,601	1,477
Northern Border Pipeline	2,438	2,404

(a) Reflects 100% of each entity's throughput volumes.

Significant components of IBIT are as follows (in millions):

Nine Months Ended
September 30,
2000 1999

Net revenues	\$468	\$450
Operating expenses	204	190
Depreciation and amortization	49	52
Equity in earnings	45	30
Other income, net	28	45
Income before interest and taxes	\$288	\$283

Revenues, net of cost of sales increased in the first nine months of 2000 as compared to the same period in 1999 primarily due to higher gas sales in 2000 from Northern's storage inventory, partially offset by lower transport fees. Operating expenses increased \$14 million primarily as a result of higher overhead costs and costs related to increased regulatory amortization. The increase in equity in earnings relates primarily to Enron's investment in Florida Gas. Other income, net decreased \$17 million in the first nine months of 2000 as compared to the same period of 1999. Included in the first nine months of 2000 were gains related to an energy commodity contract and the sale of compressor-related equipment. The 1999 period included interest earned in connection with Enron's financing of an acquisition by an unconsolidated affiliate and the early settlement of an interest rate contract.

Portland General. Statistics for Portland General for the first nine months of 2000 and 1999 are as follows:

	Nine Months Ended September 30,	
	2000	1999
Electricity Sales (Thousand MWh) (a)		
Residential	5,285	5,400
Commercial	5,605	5,513
Industrial	3,653	3,265
Total Retail	14,543	14,178
Wholesale	14,893	9,312
Total Electricity Sales	29,436	23,490
Average Billed Revenue (cents per kWh)	5.18	4.10
Resource Mix		
Coal	10%	15%
Combustion Turbine	10	6
Hydro	6	9
Total Generation	26	30
Firm Purchases	66	57
Secondary Purchases	8	13
Total Resources	100%	100%
Average Variable Power Cost (Mills/kWh) (b)	32.6	19.1
Retail Customers (end of period, thousands)	722	714

(a) Thousand megawatt-hours.

(b) Mills (1/10 cent) per kilowatt-hour.

Significant components of IBIT are as follows (in millions):

	Nine Months Ended September 30,	
	2000	1999
Revenues	\$1,557	\$1,002
Purchased power and fuel	976	460
Operating expenses	239	223
Depreciation and amortization	152	137
Other income, net	51	18
IBIT	\$ 241	\$ 200

Revenues and purchased power and fuel costs increased \$555 million and \$516 million, respectively, in the first nine months of 2000 as compared to the same period in 1999. The increase in revenue is primarily the result of a significant increase in the price of power, an increase in wholesale sales and increased sales to industrial and commercial customers. Higher purchased power and fuel costs partially offset the revenue increase. Operating expenses increased primarily due to increased plant maintenance costs

related to periodic overhauls. Other income, net increased \$33 million in the first nine months of 2000 as compared to the same period in 1999 primarily as a result of the impact of an OPUC order allowing certain deregulation costs to be deferred and recovered through rate cases and gains on the sale of certain generation-related assets. Depreciation and amortization increased \$15 million in the first nine months of 2000 primarily as a result of increased regulatory amortization.

Wholesale Energy Operations and Services

The following table reflects IBIT for each of Enron Wholesale's business lines (in millions):

	Nine Months Ended September 30,	
	2000	1999
Commodity Sales and Services	\$1,092	\$ 477
Assets and Investments	580	701
Unallocated expenses	(189)	(124)
Income before interest, minority interests and taxes	\$1,483	\$1,054

The following discussion analyzes the contributions to IBIT for each of the business lines.

Commodity Sales and Services. Enron Wholesale markets, transports and provides energy commodities as reflected in the following table (including intercompany amounts):

	Nine Months Ended September 30,	
	2000	1999
Physical Volumes (BBtue/d) (a) (b)		
Gas:		
United States	16,418	8,564
Canada	6,146	4,395
Europe and Other	3,223	1,553
	25,787	14,512
Transport Volumes	557	535
Total Gas Volumes	26,344	15,047
Crude Oil and Liquids	5,645	5,937
Electricity(c)	15,373	10,889
Total	47,362	31,873
Electricity Volumes Marketed (Thousand MWh)		
United States	389,955	292,264
Europe and Other	31,281	5,012
Total	421,236	297,276
Financial Settlements (Notional) (BBtue/d)	169,048	95,786

(a) Billion British thermal units equivalent per day.

(b) Includes third-party transactions by Enron Energy Services.

(c) Represents electricity transaction volumes marketed, converted to BBtue/d.

The earnings from commodity sales and services increased by \$615 million in the first nine months of 2000 as compared to the same period of 1999. Earnings from commodity marketing were favorably impacted by increased profits from North American operations attributable to significant increases in natural gas prices combined with price volatility in both the gas and power markets and European power marketing activities. Gas and power volumes, which increased 75% and 41%, respectively, were positively impacted in the first nine months of 2000 by EnronOnline.

Assets and Investments. Earnings from assets and investments decreased to \$580 million in the first nine months of 2000 as compared to \$701 million in the same period of 1999, due to lower earnings from sales of interests in international energy assets and a decline in the value of Enron Wholesale's merchant investments, partially offset by increased earnings from international energy asset operations. Earnings from merchant investments were impacted by the decline in value of communications and energy-intensive industry investments, partially offset by increases in the market value of power-related investments.

Unallocated Expenses. Net unallocated expenses such as rent, systems expenses and performance-related costs increased in 2000 due to growth of Enron Wholesale's existing businesses and continued expansion into new markets.

Retail Energy Services

Energy Services reported IBIT of \$70 million in the first nine months of 2000 compared to a loss of \$75 million for the same period of 1999.

Significant components of Energy Services' results are as follows (in millions):

	Nine Months Ended September 30,	
	2000	1999
Revenues	\$2,958	\$1,252
Cost of sales	2,585	1,116
Operating expenses	331	197
Depreciation and amortization	27	19
Equity in earnings	(32)	-
Other income, net	87	5
Income before interest and taxes	\$ 70	\$ (75)

Revenues and gross margin increased \$1,706 million and \$237 million, respectively, in the first nine months 2000 compared to the first nine months of 1999, primarily resulting from sales of power to Energy Services' increasing base of customers, long-term energy contracts originated in 2000, increased values of Energy Services' contract portfolio and the commencement, in the second half of 1999, of operations in the United Kingdom. Operating expenses increased as a result of certain compensation expenses and the growth of Energy Services' business. Included in other

income, net in the first nine months of 2000 were gains recognized associated with the securitization of non-merchant equity instruments. Equity in earnings reflects equity losses in Enron's investment in The New Power Company.

Broadband Services

Broadband Services reported a loss before interest, minority interests and taxes for the first nine months of 2000 of \$28 million.

Significant components of Broadband Services' results are as follows (in millions):

Nine Months Ended September 30, 2000

Gross margin	\$281
Operating expenses	249
Depreciation and amortization	63
Other income, net	3
Income before interest and taxes	\$(28)

Broadband Services recognized a loss before interest, minority interests and taxes of \$28 million in the first nine months of 2000. Gross margin included earnings from sales of excess fiber and the significant increase in the market value of Broadband Services' merchant investments. Expenses incurred during the period include certain incentive-based compensation costs, expenses related to building the business and depreciation and amortization.

Corporate and Other

Corporate and Other realized a loss before interest, minority interests and taxes of \$155 million in the first nine months of 2000 compared to a loss of \$5 million for the same period in 1999. Significant components of IBIT are as follows (in millions):

Nine Months Ended September 30, 2000 1999

IBIT before items impacting comparability	\$(155)	\$ (18)
Items impacting comparability:		
Gain on sale of EOG	-	454
Charge to reflect impairment of MTBE assets	-	(441)
IBIT	\$(155)	\$ (5)

Results in 2000 include increased expenses, including information technology costs and long-term employee compensation, and equity losses related to Azurix Corp.,

partially offset by a gain on the sale of certain assets and earnings from Enron Renewable Energy Corp. related to the completion and sale of a wind project.

Interest and Related Charges, net

Interest and related charges, net, is reported net of interest capitalized of \$28 million and \$45 million for the first nine months of 2000 and 1999, respectively. The net expense increased \$67 million in the first nine months of 2000 as compared to the same period of 1999, primarily due to increased long-term debt levels, increased average short-term borrowings, short-term debt assumed as a result of the acquisition of MG plc and higher interest rates resulting from general market conditions within the U.S. The increase was partially offset by the replacement of debt related to a Brazilian subsidiary with lower interest rate debt.

Minority Interests

Minority interests increased \$14 million to \$109 million in the first nine months of 2000 compared to the same period in 1999, primarily due to the minority owner's share of the results of a limited partnership formed in the second quarter of 1999, partially offset by amounts related to Whitewing Associates, L.P. which is no longer consolidated.

Income Tax Expense

The projected effective tax rate for 2000 is lower than the statutory rate mainly due to equity earnings, consolidated foreign earnings and differences between the book and tax basis of certain assets and stock sales. Income taxes, excluding taxes related to items impacting comparability, increased during the same period of 1999 primarily as a result of increased pretax earnings.

CUMULATIVE EFFECT OF ACCOUNTING CHANGES

In the first quarter of 1999, Enron recorded an after-tax charge of \$131 million to reflect the initial adoption (as of January 1, 1999) of two new accounting pronouncements, the AICPA Statement of Position 98-5 (SOP 98-5), "Reporting on the Costs of Start-Up Activities," and the Emerging Issues Task Force Issue No. 98-10, "Accounting for Contracts Involved in Energy Trading and Risk Management Activities." The first quarter 1999 charge was primarily related to the adoption of SOP 98-5.

NEW ACCOUNTING PRONOUNCEMENTS

In 1998, the Financial Accounting Standards Board issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities." SFAS No. 133 establishes accounting and reporting standards requiring that every derivative instrument (including certain derivative instruments embedded in other contracts) be recorded on the balance sheet as either an asset or liability measured at its fair value. The statement requires that changes in the derivative's fair value be recognized currently in earnings unless specific hedge accounting criteria are met. Special accounting for qualifying hedges allows a derivative's gains and losses to offset related results on the hedged item in the income statement, and requires that a company must formally document, designate and assess the effectiveness of transactions that receive hedge accounting.

In June 1999, the FASB issued SFAS No. 137, which deferred the effective date of SFAS No. 133 to fiscal years beginning after June 15, 2000. A company may implement SFAS No. 133 as of the beginning of any fiscal quarter after issuance, however, the statement cannot be applied retroactively. Enron does not plan to effect the early adoption of SFAS No. 133, as important interpretations regarding implementation continue to be made. In June 2000, the FASB issued SFAS No. 138, which amended certain guidance within SFAS No. 133. Enron believes that the adoption of SFAS No. 133 (as amended) will not have a material impact on its financial statements. The assessment of the impact of adopting SFAS No. 133 excludes PGE, the sale of which is expected to close in early 2001. PGE has not yet completed the quantification of the impact of adopting SFAS No. 133 pending final interpretation of the statement by accounting regulatory bodies.

FINANCIAL CONDITION

Cash Flows

(In Millions)	Nine Months Ended	
	September 30, 2000	1999
Cash provided by (used in):		
Operating activities	\$ 100	\$ (43)
Investing activities	(3,602)	(3,155)
Financing activities	3,911	3,403

Cash provided by operating activities totaled \$100 million in the first nine months of 2000 as compared to cash used in operating activities of \$43 million in the same period last year. Net cash provided by operating activities in the first nine months of 2000 primarily reflects increased earnings and proceeds from sales of merchant assets and investments, partially offset by net cash used in price risk management activities and net cash used in acquiring merchant assets and investments. Higher volatility in the gas and power markets in the second and third quarters of 2000 and higher prices of commodities purchased and sold by Enron resulted in an increase in cash used in price risk management activities. Management anticipates an increase in operating cash flow in the last quarter of 2000 due to expected reductions in working capital, net price risk management assets and merchant investments.

Cash used in investing activities totaled \$3.6 billion in the first nine months of 2000 as compared to \$3.2 billion in the same period of 1999. The 2000 amount reflects cash used for capital expenditures, the acquisition of certain minority owners' interests, equity investments and the acquisition of MG plc, partially offset by proceeds received from sales of investments and assets.

Cash provided by financing activities totaled \$3.9 billion in the first nine months of 2000 as compared to \$3.4 billion during the same period of 1999. The first nine months of 2000 includes the net issuances of short- and long-

term debt of \$3.9 billion.

Enron is able to fund its normal working capital requirements mainly through operations or, when necessary, through the utilization of credit facilities and its ability to sell commercial paper and accounts receivable.

CAPITALIZATION

Total capitalization at September 30, 2000 was \$27.9 billion. Debt as a percentage of total capitalization increased to 49.5% at September 30, 2000 as compared to 38.5% at December 31, 1999. The increase in the ratio reflects increased debt levels, the first quarter 2000 acquisition of certain minority owners' interests, the retirement of certain company-obligated preferred securities of a subsidiary and the decline in the value of the British pound sterling, partially offset by the issuances, in the first nine months of 2000, of Enron common stock and company-obligated preferred securities of subsidiaries and the contribution of common shares (see Note 7 to the Consolidated Financial Statements). The issuances of Enron common stock related to the acquisition of a minority owner's interest in Enron Energy Services LLC and the exercise of employee stock options.

FINANCIAL RISK MANAGEMENT

Enron Wholesale's business offers price risk management services primarily related to commodities associated with the energy sector (natural gas, crude oil, natural gas liquids and electricity). Enron's other businesses also enter into forwards, swaps and other contracts primarily for the purpose of hedging the impact of market fluctuations on assets, liabilities, production and other contractual commitments. Enron utilizes value at risk measures that assume a one-day holding period and a 95% confidence level. For a complete discussion of the types of financial risk management products used by Enron, the types of market risks associated with Enron's portfolio of transactions, and the methods used by Enron to manage market risks, see Enron's Annual Report on Form 10-K for the year ended December 31, 1999.

Enron's value at risk for trading commodity price risk increased to \$55 million at September 30, 2000 as compared to \$21 million at December 31, 1999. This increase is attributable to increased natural gas prices, combined with increased price volatility in the power and gas markets related to overall market conditions.

In addition, value at risk for non-trading foreign currency exchange rate risk increased to \$10 million at September 30, 2000, compared to \$4 million at December 31, 1999. This increase is a result of contracts to hedge currency translation risks associated with Yen-denominated notes issued by Enron during 2000.

Enron's value at risk for trading equity risk was \$31 million at September 30, 2000. Equity trading market risk relates to Enron's merchant assets and investments and certain derivative instruments associated with merchant activities.

INFORMATION REGARDING FORWARD LOOKING STATEMENTS

This Quarterly Report on Form 10-Q includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All statements other than statements of historical facts contained in this document are forward-looking statements. Forward-looking statements include, but are not limited to, statements relating to expansion opportunities for the Transportation Services, demand in the market for broadband services and high bandwidth applications, transaction volumes in the U.S. power market, commencement of commercial operations of new power plants and pipeline projects, and growth in the demand for retail energy outsourcing solutions. When used in this document, the words "anticipate," "believe," "estimate," "except," "intend," "may," "project," "plan," "should" and similar expressions are intended to be among the statements that identify forward-looking statements. Although Enron believes that its expectations reflected in these forward-looking statements are based on reasonable assumptions, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements. Important factors that could cause actual results to differ materially from those in the forward-looking statements herein include political developments in foreign countries; the ability of Enron to penetrate new retail natural gas and electricity markets (including energy outsourcing markets) in the United States and Europe; the ability to penetrate the broadband services market; the timing and extent of deregulation of energy markets in the United States and in foreign jurisdictions; other regulatory developments in the United States and in foreign countries, including tax legislation and regulations; the extent of efforts by governments to privatize natural gas and electric utilities and other industries; the timing and extent of changes in commodity prices for crude oil, natural gas, electricity, foreign currency and interest rates; the extent of success in acquiring oil and gas properties and in discovering, developing, producing and marketing reserves; the timing and success of Enron's efforts to develop international power, pipeline and other infrastructure projects; the effectiveness of Enron's risk management activities; the ability of counterparties to financial risk management instruments and other contracts with Enron to meet their financial commitments to Enron; and Enron's ability to access the capital markets and equity markets during the periods covered by the forward-looking statements, which will depend on general market conditions and Enron's ability to maintain or increase the credit ratings for its unsecured senior long-term debt obligations.

PART II. OTHER INFORMATION
ENRON CORP. AND SUBSIDIARIES

ITEM 1. Legal Proceedings

See Part I. Item 1, Note 3 to Consolidated Financial Statements entitled "Litigation and Other Contingencies," which is incorporated herein by reference.

ITEM 2. Recent Sales of Unregistered Equity Securities

During the third quarter of 2000, pursuant to a private placement exemption from the registration requirements of the Securities Act of 1933, Enron exchanged 214,141 shares of common stock in connection with the acquisition of Weiss Holding Company, the minority owner of a company in the facility maintenance and repair business, in a transaction valued at approximately \$16.9 million.

ITEM 6. Exhibits and Reports on Form 8-K

(a) Exhibits.

Exhibit 12 Computation of Ratio of Earnings to Fixed Charges

(b) Reports on Form 8-K

None.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ENRON CORP.
(Registrant)

Date: November 14, 2000

By: RICHARD A. CAUSEY
Richard A. Causey
Executive Vice President and
Chief Accounting Officer
(Principal Accounting Officer)

Exhibit 12

ENRON CORP. AND SUBSIDIARIES
COMPUTATION OF RATIO OF EARNINGS TO
FIXED CHARGES
(Dollars in Millions)
(Unaudited)

	Nine Months Ended 9/30/00		1999	Year Ended December 31,			1995
				1998	1997	1996	
Earnings available for fixed charges							
Net income before cumulative effect of accounting changes	\$ 919	\$1,024		\$ 703	\$105	\$ 584	\$ 520
Less:							
Undistributed earnings and losses of less than 50% owned affiliates	(29)	(12)		(44)	(89)	(39)	(14)
Capitalized interest of nonregulated companies	(34)	(61)		(66)	(16)	(10)	(8)
Add:							
Fixed charges(a)	866	948		809	674	454	436
Minority interests	109	135		77	80	75	27
Income tax expense	244	137		204	(65)	297	310
Total	\$2,075	\$2,171		\$1,683	\$689	\$1,361	\$1,271
Fixed Charges							
Interest expense(a)	\$ 833	\$ 900		\$ 760	\$624	\$ 404	\$ 386
Rental expense representative of interest factor	33	48		49	50	50	50
Total	\$ 866	\$ 948		\$ 809	\$674	\$ 454	\$ 436
Ratio of earnings to fixed charges	2.40	2.29		2.08	1.02	3.00	2.92

(a) Amounts exclude costs incurred on sales of accounts receivables.

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